STAFFORD COUNTY SCHOOL BOARD

Agenda Consideration

TOPIC: FY 2004 Year-End **F**inancial Review

ITEM NO.: 10A

PREPARED BY: 1 A

I. Of alles Woodruff, II ssistant Superintendent f Financial Services MEETING: August 24, 2004

ACTION DATE: September 14, 2004

Patty Sullivan, Director of Budgeting and Grants

hubbard, Director of Finance and Accounting

ACTION REQUESTED BY THE SUPERINTENDENT: That the School Board approve the FY 2004 Year-End Financial Review and authorize the Superintendent to request appropriation of FY 2004 funds carried over to FY 2005.

KEY POINTS:

School Operating Fund

- Actual revenue for FY 2004 was within 99.4% of the second financial review estimate.
- Projected expenditure savings result in \$2,305,802 (less than 1.3% of the School Operating Fund) in available funds to carry forward to FY 2005. Of that amount \$1,943,272 is available and could be returned to the County's fund balance and \$362,530 is available to be carried forward in the school operating fund for critical school needs. Suggested uses of the school operating fund balance includes \$257,530 to reinstate the \$10 per student school-site allocation for materials and supplies originally cut from the FY 2005 budget.
- Attached is a memo to Steve Crosby, County Administrator, which requests appropriation from the Board of Supervisors for FY 2004 School Board approved carry over of funds identified at the second and year-end financial reviews.
- All data in this review is subject to audit by the County's auditors. Any adjustments will be reflected in the FY 2005 First Financial Review to the School Board in December 2004.

Fleet Services Fund

 The Fleet Services Fund ended the year with a positive fund balance of \$21,048 which will be used to establish a sinking fund for future capital improvements.

School Construction Fund

 At year-end, the school construction fund balance was less than 1% lower than the second guarter estimate.

School Health Benefits Fund

 Claims were lower than originally projected resulting in an increase of \$284,619 in the Health Benefits Fund contingency reserve account. The contingency reserve account ended the year with a balance of \$5.2 million.

School Nutrition Services Fund

 The school nutrition services fund balance increased by \$120,114 bringing the total for the year to \$894,312. At 13% of operating expenditures, this balance falls within the 10% to 15% of operating expenditures range established as the optimum balance to be maintained to meet the cash flow requirements of this fund.

SCHOOL BOARD GOAL 8: Provide School Board leadership in advocating for adequate funding in support of Stafford County Public Schools.

FUNDING SOURCE: Existing allocations (does not require additional local funds).

AUTHORIZATION REFERENCE:

STAFFORD COUNTY PUBLIC SCHOOLS FY 2004 YEAR-END FINANCIAL REVIEW

School Operating Fund

I.	REVENUE ADJUSTMENTS	
	 A. Budget as of Approved Second Financial Review ~ May 11, 200 B. State, Federal, and Other Revenue The decrease in revenue is due primarily to the final state reductions in entitlem 	\$ (846,080)
	grants' funding to be recognized in FY 2005. C. <i>Transfer-In</i> The increase in transfers-in is due to capital lease proceeds transferred to the second by the County to purchase 17 by 1999.	\$ 932,460 school
	operating fund by the County to purchase 17 buses. FY 2004 Year-End Revenues	\$ 183,631,210
II.	. EXPENDITURE ADJUSTMENTS	
	 A. Budget as of Approved Second Financial Review ~ May 11, 200 B. Expenditure Savings The majority of the change in expenditures is due to grants' funding to be recog 2005 and balances in multiple accounts. 	\$ (1,286,962)
	C. Purchase of School Buses To purchase of 17 buses.	\$ (932,460)
	FY 2004 Year-End Expenditures	<u>\$ 181,325,408</u>
III.	I. SCHOOL OPERATING FUNDS AVAILABLE AT YEAR ENDED JUNE 30, 2	2004 \$ 2,305,802
	A. Recommended Use of Available Funds: a. School-Site Materials and Supplies Allocation The \$10 per student school-site allocation not included in the FY 2005 Sch Approved School Operating Budget. This action will increase the school-site for material and supplies to \$50 per student.	
	b. Funds to return to the County's fund balance The Board of Supervisors asked the School Board to identify \$2.4 M to retu County's fund balance. This is the down payment on that sum.	\$ 1,943,272 urn to the
	10 March 10	
	c. Title I (Federal Grant) On July 30, 2004 the school division was notified that due to the reduction number of students that qualify for free- and reduced-lunch dropped from 1 13%, Title I federal funding was reduced below the FY 2005 approved budy. This transfer of funds will allow the schools to retain the reading and math as budgeted through fiscal 2005. Title I enables the school division to provi opportunities for the served children to acquire the knowledge and skills content state's challenging content and student performance standards for readmath. The change in the school division's federal funding status will be add further in FY 2006 projections.	13.9% to get amount. specialists ide ontained in ding and

SCHOOL OPERATING FUND STATEMENT

		FY 2004 Second Review		FY 2004 Final Review		FY 2004 Variance
BEGINNING BALANCE, July 1						
Purchase Orders	\$	4,729,018	\$	4,729,018	\$	-
Unencumbered carryover	•	1,576,938	*	1,576,938		-
Grants carryover		51,714		51,714		_
Other funds carryover		10,000		10,000		-
Heatth reserve carryover		3,296,607		3,296,607		_
State Funds carryover		0,200,007		0,200,007		_
Federal Funds carryover		211,818		211,818		
	_	110000000000000000000000000000000000000		9,876,095		
Total Beginning Balance		9,876,095		9,070,095		-
RECEIPTS:						
Sales Tax		16,023,026		16,341,894		318,868
State Funds		75,608,762		75,037,233		(571,529)
Federal Funds		9,054,078		8,826,378		(227,700)
Tuition, Fees, and Other		1,024,370		1,073,519		49,149
Grants Contingency		414,868		-		(414,868)
Total Receipts		102,125,104		101,279,024		(846,080)
TRANSFERS IN:						
County General Fund		74 540 004		74 540 604		
Operating Transfer		71,543,631		71,543,631		022 460
Capital Lease Proceeds		-		932,460		932,460
Proffers		-		-		-
School Construction Fund		-		-		-
Other School Funds						
Total Transfers in		71,543,631		72,476,091		932,460
Total Receipts & Transfers		173,668,735	_	173,755,115		86,380
Total Funds Available	_	183,544,830		183,631,210		86,380
EXPENDITURES:						
		166,239,376		158,486,116		7,753,260
Operating Expenditures Debt Service		253,481		253,481		7,700,200
Emergency Contingency Reserve		2,009,007		200,401		2,009,007
		414,868				414,868
Grants contingency	-			450 700 507	_	
Total Expenditures		168,916,732		158,739,597		10,177,135
TRANSFERS OUT:						
School Health Insurance Fund	_	14,628,098	_	14,629,433		(1,335)
Total Disbursements		183,544,830	_	173,369,030	_	10,175,800
FUND BALANCE, June 30, 2004	\$		\$	10,262,180	\$	10,262,180
FY2005 CARRYOVER:						
Approved Projects - 2nd Financial Review				(2,582,011)		(2,582,011)
Approved Projects - Final Financial Review		_		(757,941)		(757,941)
Emergency Contingency Reserve		_		(2,009,007)		(2,009,007)
Purchase Orders to be Re-appropriated		_		(2,607,419)		(2,607,419)
Total FY2005 Carryover	-		_	(7,956,378)		(7,956,378)
AVAILABLE BALANCE, June 30, 2004	\$		\$	2,305,802	\$	2,305,802

FY2005 SCHOOL OPERATING FUND STATEMENT

	FY2005 Approved <u>Budget</u>	FY2005 Revised <u>Budget</u>	FY 2005 Variance
BEGINNING BALANCE, July 1 Purchase Orders Unencumbered Carryover Emergency Contingency Reserve Total Beginning Balance	\$ - - -	\$ 2,607,419 3,339,952 2,009,007 7,956,378	\$ 2,607,419 3,339,952 2,009,007 7,956,378
RECEIPTS: Sales Tax State Funds Federal Funds Tuition, Fees, and Other Grants contingency Total Receipts	19,046,979 86,699,748 8,201,011 1,309,245 3,000,000 118,256,983	19,046,979 86,699,748 8,201,011 1,309,245 3,000,000 118,256,983	-
TRANSFERS IN: County General Fund Operating Transfer Capital Lease Proceeds Proffers Other School Funds Total Transfers in	77,818,178 - - - 77,818,178	77,818,178 - - - - 77,818,178	
Total Receipts & Transfers Total Funds Available	196,075,161 196,075,161	196,075,161 204,031,539	7,956,378
EXPENDITURES: Operating Expenditures Emergency Contingency Reserve Grants Contingency Total Expenditures	175,559,668 - 3,000,000 178,559,668	181,507,039 2,009,007 3,000,000 186,516,046	(5,947,371) (2,009,007) - (7,956,378)
TRANSFERS OUT: School Health Insurance Fund	17,515,493	17,515,493	
Total Disbursements	196,075,161	204,031,539	(7,956,378)
ENDING BALANCE, June 30	\$ -	\$ -	\$ -

FLEET SERVICES FUND STATEMENT

		EV 2004		FY 2004	
		FY 2004 Second		FY 2004 Final	
	Fi	nancial Review*		Financial Review	Variance
BEGINNING BALANCE, July 1	\$	17,032	\$	17,032	\$ -
RECEIPTS:					
Charges to General Fund		817,360		626,529	(190,831)
Charges to Utilities Fund		118,586		89,257	(29,329)
Charges to Landfill Fund		-		2,801	2,801
Charges to Public Assistance		-		2,713	2,713
Charges to School Operating Fund		1,396,418		1,509,607	113,189
Total Receipts		2,332,364		2,230,907	(101,457)
Total Funds Available		2,349,396		2,247,939	(101,457)
EXPENDITURES:		2,224,894		2,119,421	105,473
Total Expenditures		2,224,894		2,119,421	105,473
TRANSFERS OUT:					
School Health Insurance Fund		107,470	1,000-0-0	107,470	
Total Transfers Out		107,470		107,470	-
Total Disbursements		2,332,364		2,226,891	105,473
ENDING BALANCE, June 30	\$	17,032	\$	21,048	\$ 4,016
* With fund balance adjustment for price	or year pur	chase orders			

SCHOOL CONSTRUCTION FUND STATEMENT

	Fin	FY 2004 Second ancial Review	Fir	FY 2004 Final nancial Review		Variance
BEGINNING BALANCE, July 1	\$	8,555,538	\$	8,555,538	\$	-
RECEIPTS:						
Literary Fund Loan Literary Fund Subsidy		1,095,320		1,528,517		433,197
Total Receipts		1,095,320		1,528,517	_	433,197
Total Necelpts		1,000,020		1,020,017		400,107
TRANSFERS IN: General Fund						
Bonds		68,295,707		68,295,707		-
Bond Premium		2,620,236		2,620,702		466
Interest Earnings - Bonds		220,000		410,342		190,342
Proffers		150,000		71,450,918	_	(25,833)
Total Transfers In		71,285,943		71,450,918		164,975
Total Funds Available		80,936,801		81,534,973		598,172
EXPENDITURES: Elementary School 2004		12,412,839		11,121,709		1,291,130
Elementary School 2005		1,000,000		875,472		124,528
High School 2005		7,025,000		11,257,606		(4,232,606)
High School 2005 Turning Lanes		-		17,891		(17,891)
Middle School South 2006		1,102,858		1,000,586		102,272
Middle School North 2006		1,000,000		65,416		934,584
High School 2006		1-		-		-
North Stafford High Renovation		4,065,388		4,362,455		(297,067)
Stafford High School Renovation		44,016		45.547		44,016
Sidewalks and Trails		171,701		15,547 69,523		156,154 1,691
Gayle Middle School Colonial Forge High Addition		71,214 246,506		189,040		57,466
Barrett Elementary School		489,904		21,299		468,605
Hampton Oaks Sprinkler Repl		-		- 1,200		-
Total Expenditures		27,629,426		28,996,544		(1,367,118)
TRANSFERS OUT:		10 100		0.627		1,485
School Health Insurance Fund		10,122		8,637		1,465
School Operating Fund Total Transfers Out		10,122	_	8,637	_	1,485
Total Disbursements		27,639,548		29,005,181		(1,365,633)
Reserve		1,619,883	-	1,168,914	_	450,969
ENDING BALANCE, June 30	\$	51,677,370	\$	51,360,878	\$	(316,492)

SCHOOL CONSTRUCTION FUND RESERVE

Subtotal Transfers Out

Balance, June 30, 2004

Balance, April 30, 2004	\$ 1,619,883
Transfers In Proffers Bond premium - VPSA 2004A	 37,860 466
Subtotal Transfers In	38,326
Total available funding	1,658,209
Transfers Out North Stafford High School Renovation Hampton Oaks Elementary Sprinklers Park Ridge Roof Replacement	 (438,000) (7,500) (43,795)

(489, 295)

1,168,914

SCHOOL HEALTH BENEFITS FUND STATEMENT

	FY 2004 Second Financial Review	FY 2004 Final Financial Review	<u>Variance</u>
BEGINNING BALANCE, July 1	\$ -	\$ -	\$ -
RECEIPTS: Employee Contributions Retiree/COBRA Contributions Interest Income Total Receipts	2,394,433 962,647 26,000 3,383,080	2,404,848 965,597 38,067 3,408,512	10,415 2,950 12,067 25,432
TRANSFERS IN:			
Employer Contributions Current Health Insurance Plan			
School Operating Fund	10,211,967	10,282,498	70,531
Fleet Services Fund	105,975	105,975	-
School Nutrition Services Fund	284,175	285,395	1,220
School Construction Fund	9,185	7,751	1,434
Retiree Health Insurance Credit - State School Operating Fund	853,174	853,174	
Fleet Services Fund	1,495	1,495	-
School Nutrition Services Fund	1,500	7,754	6,254
School Construction Fund	937	885	52
SCPS Retiree Health Ins Credit			
School Operating Fund	194,006	197,649	3,643
LGIP Investment Account Heatlh Insurance Trust Fund	3,296,607	3,296,607	(66)
Healif insulance trust Fund	386,176 15,345,197	386,110 15,425,293	(66) 83,068
	10,040,107	13,423,233	05,000
Total Receipts & Transfers	18,728,277	18,833,805	105,528
Total Funds Available	18,728,277	18,833,805	105,528
EXPENDITURES/PAYMENTS:			
Payments to Anthem for Health Benefits	12,025,652	11,979,305	46,347
Payments to Anthem not used for Claims	(480,000)	(648,996)	168,996
Health Premiums Paid - HMC Products	10,926	50,226	(39,300)
\$100,000 Specific Stop Loss Premium	585,509	585,250	259
Claims Incurred but not Reported (IBNR)*	2,240,426	2,240,426	-
IBNR Prior Year Credit*	(2,331,000)	(2,331,000)	(13 707)
Health Administrative Expenses-Anthem Health Administrative Expenses-SCPS	641,686 103,263	655,393 80,618	(13,707) 22,645
Retiree Health Insurance Credit	857,106	823,799	33,307
SCPS Retiree Health Benefit	158,193	197,649	(39,456)
Total Expenditures	13,811,761	13,632,670	179,091
NG BALANCE, June 30	\$ 4,916,516	\$ 5,201,135	\$ 284,619

SCHOOL NUTRITION SERVICES FUND STATEMENT

	<u>Fin</u>	FY 2004 Second ancial Review	Y 2004 Final <u>cial Review</u>		<u>Variance</u>
BEGINNING BALANCE, July 1	\$	815,446	\$ 815,446		\$ -
RECEIPTS: Food Sales Federal Aid State Aid Other Revenue Total Receipts		5,365,449 1,649,843 122,641 25,000 7,162,933	5,313,885 1,658,693 122,641 8,239 7,103,458		(51,564) 8,850 - (16,761) (59,475)
Total Funds Available		7,978,379	7,918,904		(59,475)
EXPENDITURES: Total Expenditures		6,918,506 6,918,506	 6,731,443 6,731,443	* .	187,063 187,063
TRANSFERS OUT: School Health Insurance Fund Total Transfers Out		285,675 285,675	 293,149 293,149		(7,474) (7,474)
Total Disbursements		7,204,181	7,024,592		179,589
ENDING BALANCE, June 30	\$	774,198	\$ 894,312	,	\$ 120,114

Includes \$131,950 in purchased orders to be re-appropriated in FY2005

ATTACHMENT

SCHOOL BOARD MEMBERS

PATRICIA HEALY Chairman

ROBERT BELMAN Vice Chairman

ROBERT P. HUNT DANA REINBOLDT EDWARD J. SULLIVAN THOMAS F. VILLACRES KAREN D. ZINK

STAFFORD COUNTY PUBLIC SCHOOLS

31 Stafford Avenue Stafford, Virginia 22554-7246 Phone: 540-658-6000

540-658-5963 Fax: http://www.pen.k12.va.us/Div/Stafford



JEAN S. MURRAY, ED.D.

TO: Steve Crosby, County Administrator

FROM: Jean S. Murray, Ed.D., Superintendent

Reappropriations for Board of Supervisors Agenda – September 21, 2004 SUBJECT:

DATE: September 15, 2004

Please place the following requests for appropriation on the Board of Supervisors agenda for September 21, 2004:

1. Reappropriated Purchase Orders

	School Operating Fund		
	Instruction	\$	1,777,344
	Administration		50,321
	Transportation		23,088
	Operation and Maintenance		702,104
	Facilities		<u>54,562</u>
	School Operating Fund Total	\$	2,607,419
	Fleet Management Services	\$	0
	School Nutrition Services Fund	\$	131,951
	School Construction Fund	\$	36,598,883
2.	School Operating Fund - General Contingency Fund	\$	2.009.007
2	Sahaal Operating Cormover Eunda Identified at Einemaial Base		
3.	School Operating Carryover Funds Identified at Financial Rev	iew	s
3.	Second Financial Review	iew	
3.		iew	s
3.	Second Financial Review	iew \$	2,582,011
3.	Second Financial Review. a. Bleacher Repairs	iew \$	s
3.	Second Financial Review. a. Bleacher Repairs	iew \$	2,582,011
3.	Second Financial Review. a. Bleacher Repairs	iew \$	2,582,011
3.	Second Financial Review	iew \$	2,582,011
<i>3. 4.</i>	 Second Financial Review. a. Bleacher Repairs b. One-Time Purchases—cut from FY 2005 Budget c. \$ 165,000 b. One-Time Purchases—cut from FY 2005 Budget c. \$ 2,417,011 Year-End Financial Review. a. Margaret Brent Elementary Startup funds c. \$ 59,313 b. Incomplete Maintenance Projects c. \$ 548,628 	iew \$	2,582,011

The Stafford County School Board is an equal opportunity employer and does not discriminate on the basis of race, color, religion, national origin, political affiliation, sex, pregnancy, childbirth or related medical conditions, age, marital status, or disability in employment or in the provision of services, programs, or activities. Inquiries regarding non-discrimination should be directed to the Executive Director Human Resources, Stafford County Public Schools, 31 Stafford Avenue, Stafford, VA 22554, (540) 658-6000. Reasonable accommodation upon request.

School Health Benefits Fund

3,259,934